



DEPARTMENT OF THE NAVY
NAVSUP FLEET LOGISTICS CENTER SIGONELLA
DETACHMENT NAPLES
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IN REPLY REFER TO
J&A Number: 15-002

JUSTIFICATION AND APPROVAL
FOR USE OF OTHER THAN FULL AND OPEN COMPETITION

1. Contracting Activity. Naval Supply Systems Command (NAVSUP) Fleet Logistics Center Sigonella (FLCSI), Detachment Naples, Italy.

2. Description of the Action Being Approved. This document supports the sole source extension of FLCSI Detachment Naples' contract N62558-03-D-7000 with Multinational Logistic Services (MLS) for husbanding services in the Northern Europe region for an additional 8 months of contract services consisting of 5 months with three 1-month options.

3. Description of Supplies/Services. Contract N62558-03-D-7000 is a requirements contract with firm-fixed prices competitively awarded on a best value basis by NAVSUP FLCSI Detachment Naples to MLS for husbanding services in the North Europe region. Husbanding services consist of services such as trash removal, collection/holding/transfer (CHT) of bacteriological/chemical liquids, waste oil and aggregate water removal, fresh potable water, pilot services, tug services, line handler services, crane services, brow (gangway) rental, water taxi services, vehicle rental (sedans and buses), paint float rental, forklift services, telephone services (landline and cellular), fenders, and force protection services.

The determination to award the current contract to MLS as the best value to the Government was made by the contracting officer based upon a consideration of past performance and price that were approximately equal in importance. The Government received four offers. Award was made to MLS on the basis of their technical approach, past performance combined with the lowest evaluated price.

The contract can be summarized as follows:

Period	Dates	Estimated Value for EURO Countries*	Estimated Value for U.S. Dollars Countries*	Total ports visits
Base	01 July 2003 – 30 June 2004	€273,650	\$1,906,445	73
Option 1	01 July 2004 – 30 June 2005	€273,650	\$1,906,445	99
Option 2	01 July 2005 – 30 June 2006	€279,402	\$1,952,418	85
Option 3	01 July 2006 – 30 June 2007	€279,402	\$1,952,418	75
Option 4	01 July 2007 – 30 June 2008	€284,689	\$1,998,770	83
Option 5	01 July 2008 – 30 June 2009	€284,689	\$1,998,770	87
Option 6	01 July 2009 – 30 June 2010	€290,439	\$2,047,633	93
Option 7	01 July 2010 – 30 June 2011	€290,439	\$2,047,633	71

Option 8	01 July 2011 – 30 June 2012	€295,975	\$2,097,044	44
Option 9	01 July 2012 – 30 June 2013	€295,975	\$2,097,044	39
6 month option (FAR 52.217-8)	1 July 2013 – 31 December 2013	€0	\$0**	17
J&A Extension	01 January 2014 – 30 June 2014	€0	\$1,092,641	19
First 3-month option under the last J&A Extension	01 July 2014 - 30 Sep 2014	€0	\$546,320	7
Second 3-month option under the last J&A Extension	01 October 2014 - 31 Dec 2014	€0	\$546,320	6***
Total		€2,848,310	\$22,189,901	798***

* Contract price is structured with two separate amounts: one in U.S. Dollars and one in Euro

** The option only supported a period of performance extension.

***Based on LOGSSR report dated 10 Dec 2014

It is the Government's intention to compete and award multiple indefinite delivery indefinite quantity fixed-priced contracts on a low-price technically acceptable basis. This bridge contract is required to 1) provide sufficient time to finalize coordination with multiple U.S. entities/organizations and foreign governments within the Northern Europe region to transition away from the single Husbanding Service Provider (HSP) model for the U.S. Navy to multiple HSPs and 2) to make the adjustments necessary to comply with the recommendations made by the Department of the Navy in response to the high-profile case involving alleged fraudulent activities conducted by Glenn Defense Marine Asia while providing husbanding services to the 7th Fleet in the Pacific region and to allow ample time to solicit, evaluate, negotiate and award the follow-on contracts. The inclusion of the option periods provides flexibility to ensure contract coverage for any unforeseen events that may occur prior to or after contract award. The options will only be exercised if necessary.

Major adjustments include the following:

- Change to the acquisition strategy. As a consequence of the fraud in the Pacific region, the Navy rethought how it contracts for husbanding services and recommended exploring the applicability of using Multiple Award Contracts (MAC) as a new strategy for obtaining these services. A MAC strategy was deemed to satisfy – better than the single award strategy - the purpose to mitigate risks associated with the acquisition and execution of husbanding and port services and identify opportunities, efficiencies, and process improvements within the husbanding and port service process. The change required a thorough revision of the pre-solicitation and solicitation packages that are currently under NAVSUP's review and shall be further approved by the Office of the Deputy Assistant of the Secretary of the Navy (DASN).
- MAC regions: To apply in a more effective way the MAC strategy, it was determined to divide the EUCOM zone in regions. A thorough analysis of the data concerning the port visits occurred in the past three years as well as an extended market research was conducted to identify the most appropriate regions on the basis of the number of visits that have occurred in each country/port, the Dollar expenditures per country/port, and the number of potential sources per country/port.

- Contract Line Items (CLINS) structure. The use of a MAC with multiple CLINs (for each region) and subCLINs introduced a need for substantially more CLINs in the Standard Procurement System (SPS) Procurement Desktop-Defense (PD2) than under previous contracts.

- New ordering process. FLCSI in conjunction with Commander, U.S. Naval Force Europe-Commander, U.S. Naval Forces Africa-Commander, U.S. 6th Fleet (CNE-CNA-C6F) has been working through two competitive ordering processes for ships requiring husbanding services.

The Government's estimate for the 1 January – 31 August 2015 (5 month base with three 1-month options) period of performance anticipated by this document is \$2,535,896.

This estimate is based on the actual services and quantities ordered under the current contract from 1 March to 31 October 2014, the most recent 8-month period for which all port visit information has been uploaded into the Logistics Support Services Repository (LOGSSR) database. The total cost of actual services ordered during that period is \$2,535,896. As such, this document only supports an extension to the contract ordering and performance period through 31 August 2015.

The milestones for the award of the follow-on contract are summarized in the table below:

Action	Start date	Ending date	# of Days
NAVSUP CRB		22-Dec-14	7
DASN Review/Approval	23-Dec-14	29-Dec-14	7
RFP Issue date	30-Dec-14	31-Dec-14	2
Receipt of Proposals	1-Jan-15	30-Jan-15	30
Evaluation & Pre-Neg BCM Prep	31-Jan-15	13-Feb-15	14
Pre- Neg Peer Review	14-Feb-15	20-Feb-15	7
Pre-Neg Internal CRB	21-Feb-15	27-Feb-15	7
Pre-Neg NAVSUP CRB	28-Feb-15	6-Mar-15	7

DASN Review/Approval	7-Mar-15	13-Mar-15	7
Discussions – Final Proposal	14-Mar-15	20-Mar-15	7
Tech Eval of revised Proposals & Post-Neg BCM Prep	21-Mar-15	27-Mar-15	7
Post Neg Peer Review	28-Mar-15	3-Apr-15	7
Post-Neg Internal CRB	4-Apr-15	10-Apr-15	7
Post-Neg NAVSUP CRB	11-Apr-15	17-Apr-15	7
DASN Review/Approval	18-Apr-15	24-Apr-15	7
Contract Award	25-Apr-15	25-Apr-15	1

4. Statutory Authority Permitting Other Than Full and Open Competition. 10 U.S.C. 2304(c)(1) as implemented by FAR 6.302-1, Only One Responsible Source And No Other Supplies Or Services Will Satisfy Agency Requirements.

5. Rationale Justifying Use of Cited Statutory Authority. The current contract for husbanding support services in the Northern Europe region expires on 31 December 2014. The Navy has a continuing need for the services beyond that expiration and FLCSI Detachment Naples does not anticipate that the competitive low-price technically acceptable award of the follow-on MAC contracts and potential transition to new contractors will be completed before 31 December 2014.

Since the estimate for the continuation of the contract through 31 August 2015 is higher than the balance remaining available against the contract estimate, an increase of the contract estimate is anticipated.

As stated in section 3 above, FLCSI is implementing multiple changes to the husbanding process in preparation for moving away from a single HSP model to a multiple HSP model where port visits are competed among various HSPs. In order to be successful, these changes require extensive coordination with various Navy entities, foreign governments and foreign military installations as well as firm ship schedules known in advance of port visits.

Extending the current contract will provide sufficient time to complete the necessary country to country coordination and resolve the scheduling issues so as to effectively compete port visits under the MAC.

At this time, MLS is the only responsible source able to provide the necessary husbanding services to the U.S. Navy. As the known HSP for this area, MLS has or can obtain the equipment, assets, facilities, and personnel to immediately perform services even with short notice changes. They have a stable network in the Northern Europe region and have good business relationships with the ports, local Governments, and Military installations so as to respond quickly to the Navy requirements without hesitation from host nations. MLS employees and subcontractors have already gone through any port required security screening necessary to access the various ports within the AOR and they know the unique business practices of the local markets. Any other husbanding contractor that could potentially perform services in the area

needs at least 2-3 months to organize their network to satisfy the requirements of the ships visiting the region. Awarding this bridge to another company would cause a disruption in service because of the time it takes to establish the aforementioned network of foreign port service providers. A sole source modification to contract N62558-03-D-7000 will be issued to the incumbent to extend the period of performance of services for an additional period of 5 months plus three 1-month options, commencing 1 January 2015 through 31 August 2015.

6. Description of Efforts Made to Solicit Offers from as Many Offerors as Practicable.

There were no efforts made to solicit any offerors besides the incumbent contractor since the sole purpose of the extension contemplated herein is to enable competition for the follow-on contract. Notice of this justification and the Government's intended modification of the contract to enable the competitive follow-on will be provided on <https://euro.neco.navy.mil/> in accordance with FAR 6.305. The follow-on requirement will be publicized and competed on EURONECO.

7. Determination of Fair and Reasonable Cost. The prices for the extension of the current contract through 31 August 2015 will be identical to those of the current contract. These prices were previously determined to be fair and reasonable via competition and the Contracting Officer has not noted any changes to the prevailing market conditions for the specific goods and services obtained under this contract that would otherwise indicate that the current contract prices are not fair and reasonable.

8. Actions to Remove Barriers to Future Competition. FLCSI will use FAR, DFARS, and NMCARS regulations and guidance to conduct full and open competition for the new requirement. The new anticipated solicitation for a long term contract will be uploaded in EURONECO for 30 days and solicited to potential contractors identified through market research to ensure widest dissemination and encourage maximum competition.

9. CONTRACTING POINT OF CONTACT

[REDACTED]

CERTIFICATIONS AND APPROVAL

TECHNICAL/REQUIREMENTS CERTIFICATION

I certify that the facts and representations under my cognizance which are included in this Justification and its supporting acquisition planning documents, except as noted herein are complete and accurate to the best of my knowledge and belief.

► Technical Cognizance/Requirements Cognizance:

LEGAL SUFFICIENCY REVIEW

I have determined this Justification is legally sufficient.

Signature _____ Name (Printed) _____ Phone No. _____ Date _____

CONTRACTING OFFICER CERTIFICATION

I certify that this Justification is accurate and complete to the best of my knowledge and belief. To the extent that the J&A/LSJ value is between \$150K and \$650K, the Contracting Officer's signature below also represents approval of the J&A/LSJ.

CONTRACTING ACTIVITY COMPETITION ADVOCATE REVIEW

To the extent that the J&A/LSJ value is between \$650K and \$12.5M, the Competition Advocate's signature below also represents approval of the J&A/LSJ.

Signature _____ Name (Printed) _____ Phone No. _____ Date _____